



## **UPDATE ON RESERVE MONEY**

**AS AT 23<sup>RD</sup> OCTOBER 2020**

## RESERVE MONEY

1. Reserve money fell by ZW\$1.4 billion to ZW\$16.1 billion as at week ending 23<sup>rd</sup> October 2020. The decline reflected a fall of ZW\$1.5 billion in banks' liquidity at the RBZ, which was partially offset by increases in statutory reserves and other deposits at the Central Bank.
2. The decline in banks' liquidity was mainly due to foreign currency sales to the market by the RBZ and liquidity mopping through issuance of open market operations (OMO) savings bonds.

**Table 1: Reserve Money Developments (ZW\$ Billions)**

								PRELIMINARY ESTIMATES		
	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Week Ending 25 Sept-20	Week Ending 16 Oct-20	Week Ending 23 Oct-20
Currency Issued by RBZ	1.22	1.31	1.34	1.46	1.67	1.90	2.06	2.12	2.14	2.10
Banking Sector Deposits at RBZ	7.09	8.79	10.20	12.08	10.42	11.46	10.06	12.47	15.34	13.92
<i>Statutory (Required) Reserves</i>	<i>1.08</i>	<i>1.21</i>	<i>1.21</i>	<i>1.39</i>	<i>0.89</i>	<i>1.05</i>	<i>1.24</i>	<i>1.34</i>	<i>1.49</i>	<i>1.61</i>
<i>Banks' RTGS Liquidity</i>	<i>6.01</i>	<i>7.58</i>	<i>8.90</i>	<i>10.70</i>	<i>9.53</i>	<i>10.41</i>	<i>8.83</i>	<i>11.13</i>	<i>13.85</i>	<i>12.31</i>
Other Deposits	1.08	1.61	0.92	0.28	0.58	2.79	0.26	0.40	0.08	0.09
<b>Reserve Money</b>	<b>9.38</b>	<b>11.71</b>	<b>12.46</b>	<b>13.82</b>	<b>12.65</b>	<b>16.15</b>	<b>12.38</b>	<b>14.99</b>	<b>17.55</b>	<b>16.12</b>
<b>Memorandum Items</b>										
Currency Issued/Reserve Money Ratio (%)	13.0	11.2	10.8	10.5	13.2	11.8	16.6	14.1	12.18	13.03

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	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Week Ending 25 Sept-20	Week Ending 16 Oct-20	Week Ending 23 Oct-20
Currency in Circulation /Deposits Ratio (%)	2.5	2.2	2.0	1.9	1.2	0.9	0.7	1.4	1.3	1.3
Monthly Change in RTGS Balances (%)	-3.3	26.3	18.5	19.0	-10.9	-9.2	-15.2	9.4	18.3	-11.12
Monthly Change in Reserve Money (%)	1.4	24.8	6.5	10.9	-8.4	27.6	-23.3	5.8	14.1	-8.18
Government Deposits at RBZ (Stock)	3.35	2.85	2.97	2.09	7.46	6.02	9.52	7.94	7.08	5.61
Monthly Inflation (%)	13.5	26.6	17.6	15.1	31.7	35.5	1.4	-0.5	N/A	N/A
Inter-Bank Exchange Rate	17.95	25.00	25.00	25.00	57.36	76.76	83.40	81.50	81.35	81.35